

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01732A
Willow Valley Water Company, Inc.
c/o Global Water
21410 N 19th Ave. Ste. 201
Phoenix, AZ 85027

RECEIVED
APR 15 2011
ACCUITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2010
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FOR COMMISSION USE

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4-20-11

4-20-11

COMPANY INFORMATION

Company Name (Business Name) Willow Valley Water Company, Inc.

Mailing Address 21410 N. 19th Ave., Ste. 201
(Street)

Phoenix AZ 85027
(City) (State) (Zip)

623-580-9600 623-580-9659 NA
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address graham.symmonds@gwresources.com

Local Office Mailing Address Same as above
(Street)

(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact: _____		Graham Symmonds	
<input type="checkbox"/> Management Contact: _____		Graham Symmonds	CTO & SVP Regulatory Affairs & Compliance
		(Name)	(Title)
21410 N. 19 th Ave. Ste. 210	Phoenix	AZ	85027
(Street)	(City)	(State)	(Zip)
623-580-9600	623-580-9659	602-615-4532	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>graham.symmonds@gwresources.com</u>			
<input type="checkbox"/> On Site Manager: _____		Ron Fleming, General Manager, Arizona	
		(Name)	
201 East Coronado Street	Buckeye	AZ	85326
(Street)	(City)	(State)	(Zip)
623-386-4252	623-386-6638	602-550-2717	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>ron.fleming@gwresources.com</u>			

Statutory Agent: Andrew Abraham, Burch & Cracchiolo, PLC			
(Name)			
702 East Osborn, Ste. 200	Phoenix	AZ	85014
(Street)	(City)	(State)	(Zip)
602-274-7611	602-234-0341		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney: Timothy J. Sabo, Roshka DeWulf & Patten, PLC			
(Name)			
400 E Van Buren, Ste. 800	Phoenix	AZ	85004
(Street)	(City)	(State)	(Zip)
602-256-6100	602-256-6800		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address tsabo@rdp-law.com			

OWNERSHIP INFORMATION

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co-op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe) _____	

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input checked="" type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land and Land Rights	18,100	0	18,100
304	Structures and Improvements	198,156	(98,433)	99,723
307	Wells and Springs	1,622,491	(177,997)	1,444,494
309	Supply Mains	2,118	(115)	2,003
310	Power Generation Equipment	10,751	(1,968)	8,783
311	Pumping Equipment	528,462	(389,702)	138,760
320	Water Treatment Equipment	299,412	(139,302)	160,110
330	Distribution Reservoirs and Standpipes	266,344	(109,962)	156,382
331	Transmission and Distribution Mains	649,921	(272,867)	377,054
333	Services	96,681	(51,976)	44,705
334	Meters and Meter Installations	532,199	(197,966)	334,233
335	Hydrants	37,179	(13,216)	23,963
336	Backflow Prevention Devices	1,024	(233)	791
339	Other Plant and Misc. Equipment	7,666	(1,862)	5,804
340	Office Furniture and Equipment	22,526	(16,166)	6,360
341	Transportation Equipment	21,527	(20,858)	669
343	Tools, Shop and Garage Equipment	42,909	(14,440)	28,469
344	Laboratory Equipment	9,508	(3,091)	6,417
345	Power Operated Equipment	38,925	(21,037)	17,888
346	Communication Equipment	9,437	(3,206)	6,231
347	Miscellaneous Equipment	10,223	(3,345)	6,878
348	Other Tangible Plant	3,937	(3,221)	716
390	Office Furniture & Equipment	12,270	(7,130)	5,140
	TOTALS	\$ 4,441,766	(\$ 1,548,093)	\$ 2,893,673

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	0	0%	0
302	Franchises	0	0%	0
303	Land and Land Rights	18,100	0%	0
304	Structures and Improvements	198,156	3%	6,261
307	Wells and Springs	1,622,491	3%	54,005
309	Supply Mains	2,118	2%	43
310	Power Generation Equipment	10,751	5%	536
311	Pumping Equipment	528,462	13%	39,673
320	Water Treatment Equipment	299,412	3%	9,778
330	Distribution Reservoirs and Standpipes	266,344	2%	5,786
331	Transmission and Distribution Mains	649,921	2%	11,615
333	Services	96,681	3%	3,174
334	Meters and Meter Installations	532,199	8%	20,200
335	Hydrants	37,179	2%	744
336	Backflow Prevention Devices	1,024	7%	68
339	Other Plant and Misc. Equipment	7,666	7%	511
340	Office Furniture and Equipment	22,526	7%, 14% or 20%	972
341	Transportation Equipment	21,527	20%	498
343	Tools, Shop and Garage Equipment	42,909	5%	2,007
344	Laboratory Equipment	9,508	10%	937
345	Power Operated Equipment	38,925	5%	1,640
346	Communication Equipment	9,437	10% or 20%	773
347	Miscellaneous Equipment	10,223	10%	925
348	Other Tangible Plant	3,937	10%	450
390	Office Furniture & Equipment	12,270	3%	742
	TOTALS	\$ 4,441,766		\$ 161,338

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 2,729	\$ 20,167
134	Working Funds	29,367	32,067
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	20,348	38,914
143	Accumulated Provision for Uncollectible Accounts	(3,365)	(7,416)
151	Plant Material and Supplies	10,987	11,302
162	Prepayments	6,994	4,517
174	Miscellaneous Current and Accrued Assets	24,924	49,251
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 91,984	\$ 148,802
	FIXED ASSETS		
101	Utility Plant in Service	\$ 4,108,472	\$ 4,441,767
103	Property Held for Future Use	0	0
105	Construction Work in Progress	1,544	184,093
108	Accumulated Depreciation – Utility Plant	(1,387,070)	(1,548,093)
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$ 2,722,946	\$ 3,077,767
	OTHER ASSETS		
114	Utility Plant Acquisition Adjustments	\$ 398,499	\$ 398,499
181	Unamortized Debt Discount & Expense	9,932	9,435
190	Accumulated Deferred Income Taxes	176,640	182,718
	TOTAL OTHER ASSETS	\$585,071	\$590,652
	TOTAL ASSETS	\$ 3,400,001	\$ 3,817,221

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 52,101	\$ 19,448
232	Notes Payable (Current Portion)	17,630	27,519
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	15,409	21,716
236	Accrued Taxes	11,346	9,731
237	Accrued Interest	1,539	2,842
241	Miscellaneous Current and Accrued Liabilities	24,587	38,787
	TOTAL CURRENT LIABILITIES	\$ 122,612	\$ 120,043
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 193,650	\$ 591,386
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	615,635	617,186
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$ 615,635	\$ 617,186
	TOTAL LIABILITIES	\$ 931,897	\$ 1,328,615
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 0	\$ 0
211	Paid in Capital in Excess of Par Value	2,619,816	2,652,862
215	Retained Earnings	(151,712)	(164,256)
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	\$ 2,468,104	\$ 2,488,606
	TOTAL LIABILITIES AND CAPITAL	\$ 3,400,001	\$ 3,817,221

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 443,056	\$ 574,319
460	Unmetered Water Revenue	12,385	25,111
474	Other Water Revenues	33,935	67,520
	TOTAL REVENUES	\$ 489,376	\$ 666,950
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 215,782	\$ 264,735
610	Purchased Water	0	0
615	Purchased Power	42,797	41,011
618	Chemicals	18,966	15,687
620	Repairs and Maintenance	13,024	12,620
621	Office Supplies and Expense	35,161	28,118
630	Outside Services	13,005	62,003
635	Water Testing	16,874	11,253
641	Rents	12,092	0
650	Transportation Expenses	9,254	14,127
657	Insurance – General Liability	8,024	7,424
659	Insurance - Health and Life	4,155	3,071
666	Regulatory Commission Expense – Rate Case	0	8,532
675	Miscellaneous Expense	10,580	17,508
403	Depreciation Expense	158,880	161,338
408	Taxes Other Than Income	218	155
408.11	Property Taxes	22,395	20,945
409	Income Tax	(40,121)	(6,077)
	TOTAL OPERATING EXPENSES	\$ 541,086	\$ 662,450
	OPERATING INCOME/(LOSS)	(\$ 51,710)	\$ 4,500
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 0	\$ 0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	(2,051)
427	Interest Expense	(12,733)	(14,990)
	TOTAL OTHER INCOME/(EXPENSE)	(\$ 12,733)	(\$ 17,041)
	NET INCOME/(LOSS)	(\$ 64,443)	(\$ 12,541)

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	8/1998	12/2002	11/2009	
Source of Loan	WIFA	WIFA	WIFA	
ACC Decision No.	60713	64891	71313	
Reason for Loan	Plant Improvements	Well Site Upgrades	Meter Replacement Program	
Dollar Amount Issued	\$232,650	\$110,000	\$261,000	\$
Amount Outstanding	\$119,065	\$74,585	\$251,255	\$
Date of Maturity	9/2018	12/2022	11/2029	
Interest Rate	6.125%	4.375%	4.200%	%
Current Year Interest	\$7,904	\$3,383	\$1,704	\$
Current Year Principle	\$12,618	\$5,012	\$9,745	\$

Meter Deposit Balance at Test Year End	\$ 21,716
Meter Deposits Refunded During the Test Year	\$ 4,869

COMPANY NAME: Willow Valley Water Company	
Name of System: Lake Cimarron	ADEQ Public Water System Number: AZ-04-08-129

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
55-604160 Lake Cimarron Large Well, Primary	7.5	190	60	12	4"	1960
55-604161 Lake Cimarron Small Well, Secondary	10	225	100	6		1967

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (GPM)	Gallons Purchased or Obtained (In Thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
20	2	19	
25	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
196,000 GAL	1	5,800 GAL	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Willow Valley Water Company	
Name of System: Lake Cimarron	ADEQ Public Water System Number: AZ-04-08-129

MAINS

CUSTOMER METERS

Size (in Inches)	Material	Length (in Feet)
4	PVC	21
6	PVC	196
8	PVC	7,405
10	PVC	5,509
4	UNK	276
6	UNK	684
8	UNK	4,461
10	UNK	652

Size (in inches)	Quantity
5/8"	130

- ABS = Acrylonitrile-Butadiene-Styrene

AC = Asbestos Cement

ACP = Asbestos Concrete Pipe

ASWP = American Spiral Weld Pipe

CU = Copper

DIP = Ductile Iron Pipe

DIP150 = 150# Ductile Iron Pipe

=
- GALV = Galvanized Steel Pipe

PVC = Polyvinyl Chloride

PVCCL1 = PVC 900 CL 150

PVCCL2 = PVC 900 CL 200

PVCNP = PVC - Not Purple

SDRCL1 = PVC SDR 26 CL 160

STEEL = Steel

UNK = Unknown

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:
NaOCl Injection System
Fe & Mn Removal System

STRUCTURES:
Shed
Fences around well sites

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Willow Valley Water Company	
Name of System: King Street	ADEQ Public Water System Number: AZ-04-08-040

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
55-208170 Unit 17-Primary	30	500	120	9	6"	1970
55-603946 Center Street			100	8		1964
55-603947 King St	15	300	120	8	4"	1959
55-603948 Meadowlark			100	8		1966
55-603949 Unit 17-Secondary	15	300	100	8	4"	1969
55-603950 Commercial Well			100	8		1965
55-603951 Unit 1	15	250	100	24	4"	1960
55-603952 Riding Club Well			120	20		1960

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (GPM)	Gallons Purchased or Obtained (In Thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	6	46	
30	1		
40	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
163,000 GAL	1	14,000 GAL	1
47,000 GAL	1	2,200 GAL	1
96,000 GAL	1	5,200 GAL	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Willow Valley Water Company	
Name of System: King Street	ADEQ Public Water System Number: AZ-04-08-040

MAINS

CUSTOMER METERS

Size (in Inches)	Material	Length (in Feet)
4	ABS	1,225
6	AC	2,164
4	ASWP	8,197
4	DIP	14
6	DIP	178
2	PVC	3,802
3	PVC	1,587
4	PVC	52,639
6	PVC	26,185
8	PVC	4,035
4	STEEL	22
6	STEEL	3
8	STEEL	185
-99	UNK	122
4	UNK	2,456
6	UNK	480

Size (in inches)	Quantity
1 1/2"	1
1"	9
3/4"	8
5/8"	1,428

- ABS = Acrylonitrile-Butadiene-Styrene

AC = Asbestos Cement

ACP = Asbestos Concrete Pipe

ASWP = American Spiral Weld Pipe

CU = Copper

DIP = Ductile Iron Pipe

DIP150 = 150# Ductile Iron Pipe

=
- GALV = Galvanized Steel Pipe

PVC = Polyvinyl Chloride

PVCCL1 = PVC 900 CL 150

PVCCL2 = PVC 900 CL 200

PVCNP = PVC - Not Purple

SDRCL1 = PVC SDR 26 CL 160

STEEL = Steel

UNK = Unknown

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Willow Valley Water Company	
Name of System: King Street	ADEQ Public Water System Number: AZ-04-08-040

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:
NaOCl Injection System at Unit 17 and King St
Iron & Manganese removal at Unit 17 and King St
Filter Skid at Commercial St reservoir

STRUCTURES:
Office Building
Fences around well sites
Sheds at Unit 17 and King St

OTHER:
1 x Backhoe
1 x Bobcat
3 x Vehicles

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: WILLOW VALLEY WATER COMPANY	
Name of System: Lake Cimarron	ADEQ Public Water System Number: AZ04-08-129

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	123	524	588	
FEBRUARY	124	624	534	
MARCH	123	408	712	
APRIL	124	726	857	
MAY	126	800	1,134	
JUNE	126	1,128	1,294	
JULY	126	981	1,534	
AUGUST	126	1,415	1,559	
SEPTEMBER	126	1,088	1,349	
OCTOBER	125	1,468	1,360	
NOVEMBER	124	816	716	
DECEMBER	124	581	669	
TOTALS →		10,559	12,306	

What is the level of arsenic for each well on your system?

(If more than one well, please list each separately.)

ADWR #55-604161 (Lake Cimarron) 5 ppb

If system has fire hydrants, what is the fire flow requirement? ____GPM for ____hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 (X) Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 () Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 () Yes (X) No

If yes, provide the GPCPD amount:_____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: WILLOW VALLEY WATER COMPANY	
Name of System: King Street	ADEQ Public Water System Number: AZ04-08-040

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1390	4,770	5,753	
FEBRUARY	1392	4,988	5,575	
MARCH	1394	3,476	7,031	
APRIL	1392	5,747	7,702	
MAY	1398	7,931	9,375	
JUNE	1394	5,753	10,489	
JULY	1394	9,982	12,063	
AUGUST	1394	10,067	12,490	
SEPTEMBER	1394	8,748	10,778	
OCTOBER	1383	9,909	8,521	
NOVEMBER	1377	7,050	7,698	
DECEMBER	1374	4,806	6,734	
TOTALS →		83,227	104,209	

What is the level of arsenic for each well on your system?
(If more than one well, please list each separately.)
 ADWR #55-063947 (King Street) 4.1 ppb ADWR #55-603949 (Unit 17) <3 ppb

If system has fire hydrants, what is the fire flow requirement? GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 (X) Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 () Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 () Yes (X) No

If yes, provide the GPCPD amount: _____
Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: WILLOW VALLEY WATER COMPANY	
Name of System: Consolidated	ADEQ Public Water System Number: NA

UTILITY SHUTOFFS / DISCONNECTS

MONTH		Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		0	17	
FEBRUARY		0	1	
MARCH		0	2	
APRIL		0	2	
MAY		0	10	
JUNE		0	1	
JULY		0	8	
AUGUST		0	19	
SEPTEMBER		0	13	
OCTOBER		0	1	
NOVEMBER		0	4	
DECEMBER		0	5	
TOTALS →		0	83	

OTHER (description):

COMPANY NAME: WILLOW VALLEY WATER COMPANY
YEAR ENDING 12/31/2010

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2010 was: \$**25,559.00**

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

APR 15 2011

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA Maricopa

I, THE UNDERSIGNED Graham Symmonds, CTO & SVP Regulatory Affairs & Compliance
OF THE Willow Valley Water Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

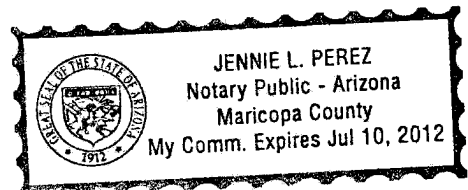

SIGNATURE OF OWNER OR OFFICIAL

623-580-9600
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME JENNIE L PEREZ

A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA

THIS 15 DAY OF APRIL, 2011.



MY COMMISSION EXPIRES 7/10/2012


SIGNATURE OF NOTARY PUBLIC

**COMPANY NAME: WILLOW VALLEY WATER COMPANY
YEAR ENDING 12/31/2010**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>(\$ 134,121)</u>
Estimated or Actual Federal Tax Liability	<u>\$ 0</u>

State Taxable Income Reported	<u>(\$ 134,121)</u>
Estimated or Actual State Tax Liability	<u>\$ 0</u>

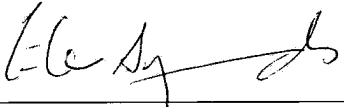
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>\$ 617,186</u>
Amount of Gross-Up Tax Collected	<u>\$ 0</u>
Total Grossed-Up Contributions/Advances	<u>\$ 0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

April 15, 2011

DATE

Graham Symmonds

PRINTED NAME

CTO & SVP Regulatory Affairs and Compliance

TITLE

VERIFICATION AND SWORN STATEMENT

Intrastate Revenues Only

RECEIVED

APR 15 2011
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA Maricopa

I, THE UNDERSIGNED Graham Symmonds, CTO & SVP Regulatory Affairs & Compliance

OF THE Willow Valley Water Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

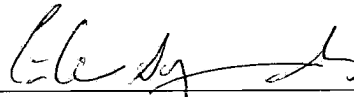
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 711,756.00

(THE AMOUNT IN BOX ABOVE
INCLUDES \$43,414 SALE TAXES, \$1,542 ACC FEE, and \$202
RUCO FEE BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**



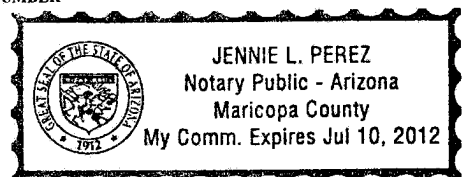
SIGNATURE OF OWNER OR OFFICIAL

623-580-9600
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME JENNIE L PEREZ

A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA

THIS 15 DAY OF APRIL, 2011.



MY COMMISSION EXPIRES 7/10/2012


SIGNATURE OF NOTARY PUBLIC

VERIFICATION AND SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

RECEIVED
APR 15 2011
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA Maricopa

I, THE UNDERSIGNED Graham Symmonds, CTO & SVP Regulatory Affairs & Compliance

OF THE Willow Valley Water Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

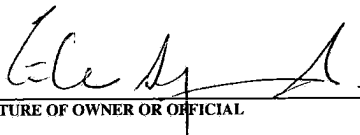
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 623,979.00

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$39,091 SALES TAXES, \$1,178 ACC FEE,
\$173 RUCO FEE BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

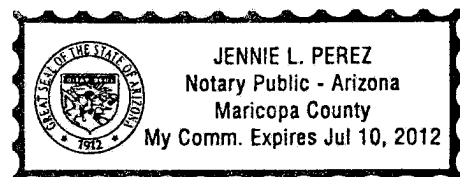


SIGNATURE OF OWNER OR OFFICIAL

623-580-9600

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME JENNIE L PEREZ
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15 DAY OF APRIL, 2011.



MY COMMISSION EXPIRES 7/10/2012



SIGNATURE OF NOTARY PUBLIC